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ILLINOIS COMMERCE COMMISSION

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY

ILLINOIS
COMMERCE COMMISSION

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In the Matter of the Application of)
Illinois-American Water Company for)
Certificates of Public Convenience and)
Necessity to Construct and Operate an)
Extension of its Water Distribution System)
in Champaign County, Illinois)
Pursuant to Section 8-406 of the)
Public Utilities Act.)

CHIEF CLERK'S OFFICE

Docket No. 03-0365

APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY

TO THE ILLINOIS COMMERCE COMMISSION, SPRINGFIELD, ILLINOIS:

Illinois-American Water Company, Petitioner herein, respectfully shows:

1. It is a duly incorporated company, incorporated under the laws of the State of Illinois on August 15, 1916, and is duly authorized to do business in the State of Illinois. It is a public utility within the meaning of the Act of the General Assembly of the State of Illinois entitled "An Act Concerning Public Utilities", approved June 29, 1916, and enforced July 1, 1921, as amended, and is now engaged in the business of furnishing potable water service to the public of the State of Illinois.
2. The post office address of Petitioner is 300 North Water Works Drive, P. O. Box 24040, Belleville, Illinois 62223-9040.
3. Petitioner provides water and sanitary sewer service in several counties in Illinois, including certain areas in Champaign County.
4. The areas for which Petitioner seeks certification are generally contiguous to areas currently served by Illinois-American. Attached hereto as Exhibit 1 is a map depicting Petitioner's current certificated area and the area for which a certificate is being sought.

5. Embarrass Water District ("District") is a not-for-profit corporation which has been formed to provide water service to Cumberland, Coles, and Douglas Counties and Raymond and Ayers Townships in Champaign County.

6. Petitioner has been requested to provide water service to the District pursuant to a Water Supply Agreement dated December 31, 2001 as amended by First Amendment to the Water Supply Agreement dated December 30, 2002 (collectively, the "Agreement"), a copy of which is attached hereto as Exhibit 2.

7. There is attached hereto as Exhibit 3 and made a part hereof the legal description of the area, which is sought to be certificated in this proceeding.

8. In order to provide service to Embarrass Water District, Petitioner desires to construct, operate, and maintain a twelve-inch main as depicted on Exhibit 4 attached hereto and made a part hereof (the "Main"). This Main will extend from the Company's existing fourteen-inch main at the northwest corner of Champaign County Road 600 North and Champaign County Road 900 East, easterly, then southerly, a total of approximately eight miles to the point of connection to the District's system designated in the Agreement.

9. Petitioner intends to install the proposed Main principally within easements to be acquired on private property. A listing containing the name and address of each owner of record of land over which easements will be sought, as disclosed by the records of the tax records of Champaign County as of March 7, 2003, is attached hereto as Exhibit 5. Each property owner from whom such easement may be sought has been notified in accordance with Part 300 of the Commission Rules. A copy of the packet sent to the landowner was filed with the Clerk of the Commissions on May 30, 2003.

10. Pursuant to the Agreement, the District shall pay a contribution in aid of construction charge to Petitioner equal to the total costs to the Company, including

engineering and overheads, of the interconnection facilities comprising the Main extension, which is consistent with Part 600.370 of the Illinois Administrative Code.

11. Portions of the areas to be served by Petitioner, or through which the main is sought to be extended are located within one and one-half (1½) miles of the corporate boundaries of the Villages of Tolono and Pesotum. The municipalities whose corporate boundaries lie within one and one-half miles of the areas for which Petitioner seeks certification have been served with a copy of this Petition, as required by 83 Ill. Admin. Code 200.150(b).

12. There are no other public utilities or public water districts rendering similar service within a mile and one-half of the proposed certificated area.

13. Petitioner proposes to serve the customers located within the parcels for which certification is requested under its Champaign Division's standard rates, rules and regulations in effect from time to time. Petitioner is prepared to serve all potential customers located within these parcels, subject to the provisions of its rate schedules.

14. Petitioner's construction, operation, and maintenance of the water facilities, and as will be described in the testimony and exhibits supporting this Petition, are necessary to provide adequate, reliable, and efficient water service to the customers to be located within the areas for which certification is sought. In addition, Petitioner's construction constitutes the least-cost means of satisfying the service needs of those customers.

15. Petitioner is capable of efficiently managing and supervising the construction necessary to serve all the parcels.

16. Petitioner is capable of financing the construction necessary to serve all of the parcels without adverse financial consequences to Petitioner or its customers.

17. The construction, operation, and maintenance by Petitioner of the water facilities necessary and appropriate to serve the parcels for which certification is

requested, and Petitioner's provision of water service to the public in those parcels, will promote the public convenience and is necessary thereto, and the interest of the public will be served thereby.

WHEREFORE, Petitioner requests that the Commission issue Certificates of Public Convenience and Necessity authorizing it to own, operate, and maintain the facilities necessary and appropriate to serve Embarrass Water District, approve the Agreement, and grant such further relief as may be just, reasonable and appropriate.

Respectfully submitted,

ILLINOIS-AMERICAN WATER COMPANY

By: [Signature]
Vice President

Counsel for Petitioner:
Sue A. Schultz, General Counsel
Mary G. Sullivan, Associate Corporate Counsel
Illinois-American Water Company
300 N. Water Works Drive
Belleville, IL 62223

STATE OF ILLINOIS)
) ss.
COUNTY OF ST. CLAIR)

I, Fred L. Ruckman, being first duly sworn on oath, depose and state that I am a Vice President of Illinois-American Water Company, an Illinois corporation; that I have read the above and foregoing Petition by me subscribed and know the contents thereof; and that said contents are true in substance and in fact, except as to those matters stated upon information and belief, and, as to those, I believe same to be true.

[Signature]

Subscribed and sworn to before me, a Notary Public, this 30TH day of MAY, 2003.

Patricia A. Barnett
Notary Public

